

Economic Development Corporation
Meeting Minutes
Thursday, July 16, 2020

Attending: Mike Fassezke, John Benson, Beth Reindel, Chris Rittmueller, Vickie Schmitzer, Tamara Tsulaia, Jamie Furbush, Abby Curtis, Jeff Monchilov, and Brandon Muller

Absent: John Benson, Todd Jennings, Joe Cramer, Mike Grossi and Tim Hildner

Also attending were Mayor Mary Anne Ackerman, Bridget Smith, Ashley McKnight and Sheila Stamiris.

The meeting was called to order at the Frankenmuth Scout Building. There was no public input.

EDC Annual Report. A draft of the EDC Annual Report was circulated. It is suggested to include information about housing development. The presentation is on Tuesday, August 11, time to be determined.

EDC Strategic Plan. The board reviewed the contents. The EDC has made progress on the Business Park, and updated the "available land inventory." Covid 19 has impacted the general progress of Heart & Soul. The Community Survey through Heart & Soul will be a basic document in support of the City Township Master Plan. Three priority sites for development were identified previously Business Park, Uptown North Main and the Frankenmuth Insurance site on North Main. There is interest in revisiting "Spirit of Frankenmuth" program and a housing analysis/survey.

Congratulations! The Frankenmuth Credit Union was recognized as the #1 Credit Union in the US by Forbes Magazine. The Frankenmuth Woolen Mill was named a "Top 50 Michigan Company to Watch." The Frankenmuth Clock Shop was named a "Michigan SBDC Best Small Business."

Housing Development & Employee Survey. Rittmueller reported that the Survey task force met earlier in the week. The committee included Monchilov, Reindel, Tsulaia, Ackerman and Stamiris. There was much discussion on the purpose of the survey and what information we wanted to learn, with variations on who to survey, what to ask and how to ask it. One concept agreed upon is not to use a "gift certificate" as a reward in order to not sway responses. One comment was "we want to know what prevents you from moving here." Other items in discussion include:

The housing market is a matter of supply and demand; there are more buyers than houses, which supports higher values. Housing construction has been consistent here in recent years; either buyers adjust to what is available or build new. Developers are not willing to spend the money upfront to put the infrastructure in to build houses with little to no return. Based on the annual construction rate, there are 4 to 5 years-worth of available housing sites. The City has had no more than 13-new homes built consistently each year.

The Vassar development commonly referred to in previous discussions was sold out in 18-months. Because the land/project was returned to the City, Vassar was able to make some development consensus to sell lots and keep development costs lower. During the time period of 2000-2001, the cost per square foot was significantly less than today.

Is the more affordable option a “condo-development?” Not just multi-family homes in high rises or in duplexes, but condo-style agreements similar to what is on Clarmarc?

Can the City refine the zoning code to allow more density of development? Zoning determines density and size of lots. The Planned Unit Development process can define terms and is a good planning tool. The newest lots in Kingsbrook are smaller than the original lots by design to increase density. One thought is that housing density requirements by code are too low per acre to achieve lower development costs.

Land value and the cost of utilities are keeping developers out. Through phased development, a developer can turn more lots.

There are two development projects in due diligence phases: The “Greenfield” Condominium project in the 600 block of West Genesee Street and the Frankenmuth Insurance Weber Farm project.

Care must be taken when increasing density; today’s lots are 80’x120’. Today’s buyers want more garage space – hard to do on a smaller lot. Conversely, there are many ways to increase density including the allowance of a “granny flat,” construction of garden bungalows with shared front yards/court yards and other multi-family options that are not multi-story structures.

Other communities have housing studies available that are used to attract developers. These studies include real data that feature a snapshot of the community and highlight the opportunities for investment. There was a “missing middle” housing report done about five years ago that focused not on what was built, but about who was moving and where. This was funded by MSHDA with an emphasis on more affordable “missing middle” housing; Frankenmuth was featured but not much detail was studied. Stamiris will share. It is important to know to whom we are directing our attention.

Are there enough buyers in the market place to buy “the Springs” and the Frankenmuth Insurance developments? Who commutes to work from Frankenmuth? Who drives their kids to school with “schools of choice?”

A survey was done with the Spirit of Frankenmuth. Can we find it?

What is the price point we need to be? Can we subsidize it? One way to reduce costs to the developer is through a “land trust” where a community non-profit owns the land and the “profit” need not be made on the land sale. Is this worth investigating?

City needs to develop its housing development plan now, to assure transparency in the process and to apply the requirements with consistency.

No decision is pending.

5G and Frankenmuth. Federal legislation is driving interest in companies wanting to be “first in” with 5G option. The City is working to “control its own destiny” by outlining requirements and making good

policy. Smith reports that action is required soon as companies have the advantage if no policy is in place.

Minutes. The minutes of the June 18, 2020, meeting were approved as written. Furbush moved; Fassezke seconded.

Around the Table. Staff will look at the general apartment area near Nickless and Vates streets and get an update on Jimmy John's. The plan review for Jimmy John's is complete.

There is concern for businesses surviving the Covid crisis which has resulted in decreased tourism and related visits to the City. DIG café and Cass Street Décor closed. The Cass Street location has another tenant opening soon. Tsulaia reports that her "Musik Haus" studio has given up its lease; the business is "dormant" for now until such time as students can learn with a teacher again.

The Greenfield Condo project received its review for Storm Water planning and will resubmit.

Many construction projects are on hold or in revision status due to supply chain issues, labor and materials shortages.

The meeting adjourned.

Respectfully submitted,

Sheila Stamiris